



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Voluntary Report - public distribution

Date: 1/20/2004

GAIN Report Number: RS4003

Russian Federation

Food and Agricultural Import Regulations and Standards

Changes in Starch and Dextrin Import Duties 2004

Approved by:

Allan Mustard
American Embassy, Moscow

Prepared by:

Yelena Vassilieva and Dorothy Adams

Report Highlights:

The GOR has put in place a temporary increase in the import duties for starches of wheat, manioc, and several other products beginning February 13 and lasting for nine months.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Moscow [RS1]
[RS]

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Executive Summary

Starting February 13 and continuing for nine months, import duties on starches of wheat, manioc, and several other products will be ten percent of the customs value, but not less than 0.03 Euro per 1 kg and duties for dextrin and other modified starches will be 10 percent of the customs value, but not less than 0.06 Euro per 1 kg. These new duties are a compromise between the complaints of the starch and syrup industry about cheap imports ruining domestic production and increasing demand from the confectionary and other processing industries for these products.

Trade

Imports of all natural starches decreased from 50,820 metric tons in 2000 to 32,587 metric tons in 2002. However, imports of wheat starch increased from 66 metric tons in 2000 to 2,105 tons in 2002 and imports of starch from manioc increased from 670 tons to 10,529 tons. In the first ten months of 2003, Russia imported 1,785 metric tons of wheat starch, 15,177 metric tons of manioc starch and 1,730 metric tons of starch under the "other" category. The proportion of these starches in total starch imports increased from 2.1 percent in 2000, to almost 40 percent in 2002, and then to 61 percent in the first ten months of 2003. The average value of 1 kg of imported wheat starch was 0.29 USD, the average value of 1 kg of imported manioc starch was 0.18 USD and the average value of 1 kg of "other" type starch was 0.16 USD. Ten percent of all of these values are smaller than 0.03 euro, meaning these new duties will not seriously affect most imports.

In 2002, ninety percent of wheat starch was imported from France, as the U.S. did not export this product to Russia. The main suppliers of starch from manioc are Vietnam and Thailand and in 2003 the average value of 1 kg of starch from these countries was less than 0.2 USD. Small imports of manioc starch from the U.S. and the Virgin Islands are much more expensive – 4.7 USD and 3.8 USD per 1 kg respectively. Since there are no exceptions in this resolution for developing countries that use tariff preferences, imports from the U.S. for this product could get a boost.

Imports of dextrin and other modified (etherified) starches doubled in 2000 to 89,419 metric tons worth 52.5 million USD. However, the average value was less than 0.6 USD per 1 kg in 12 out of 26 exporting countries and products from the Ukraine, Brazil, China, Ireland, South Korea, and Switzerland cost less than 0.4 USD per 1 kg. In the first ten months of 2003, Russia imported 2,293 metric tons of dextrin from the U.S. worth 1.27 million USD. Imports from the U.S. have increased more than four times since 2001.

Unofficial Translation of the Resolution

Government of the Russian Federation Resolution #2 of January 5, 2003

"On Making Changes to the Customs Tariffs of the Russian Federation Concerning Native and Modified Starches"

The Government of the Russian Federation decrees the following:

1. As a partial amendment to the Customs Tariffs of the Russian Federation approved by the resolution of the Government of the Russian Federation #830 of November 30, 2001 "On the Customs Tariffs of the Russian Federation and Commodity Codes, Used at the Implementation of Foreign Economic Activity" (Collection of Laws of the Russian Federation, 2001, #50, article 4735), the proposed import duties for some native and modified starches are approved.
2. The present resolution enters into force one month from the date of its official publication for a period of nine months.

Chairman of the Government
Of the Russian Federation

M. Kas'yanov

Customs Import Duties

HS number	Item	Rate of import duty (percent of customs value or in euros)
	Starch	
1108 11 000 0	- wheat starch	10, but not less than 0.03 euro per 1 kg
1108 14 000 0	- manioc starch	10, but not less than 0.03 euro per 1 kg
1108 19 900 0	- other	10, but not less than 0.03 euro per 1 kg
3505 10	- dextrin and other modified starches	
3505 10 100 0	- dextrin	10, but not less than 0.06 euro per 1 kg
3505 10 500 0 3505 10 900 0	- other modified starches	10, but not less than 0.06 euro per 1 kg